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ELIGIBLE SALARIED RETIREES

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:
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DPH HOLDINGS CORP., <u>et al.</u> ,	:
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Reorganized Debtors.	:
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**OBJECTION OF THE OFFICIAL COMMITTEE OF SALARIED RETIREES TO
JAMES B. SUMPTER’S “REQUEST FOR STAY OF COURT ORDER AND RELATED
PROCEEDINGS REGARDING OF VEBA IN LIEU OF COBRA RULING”**

The Official Committee of Eligible Salaried Retirees (the “Retiree Committee”), by its attorneys, Farella Braun + Martel LLP, hereby submits this Objection (the “Objection”), to the “Request for Stay of Court Order and Related Proceedings Regarding of VEBA in Lieu of COBRA Ruling” filed by James R. Sumpter, pro se. (Docket No. 21308). In support of this Objection, the Retiree Committee respectfully represents as follows:

BACKGROUND

1. This Court ruled against Mr. Sumpter from the bench at the hearing July 30, 2009 (Docket No. 18830) (the “Prior Ruling”), holding that Delphi retirees like Mr. Sumpter (and those represented by the Retiree Committee) do not have a right to lifetime COBRA benefits by virtue of the elimination of their benefits during the bankruptcy case. As this Court recognized at the hearing on May 26, 2011, the Prior Ruling is law of the case.

2. In filing the motion seeking to designate the DSRA Benefit Trust’s benefit as effectively in lieu of COBRA continuation coverage, the Retiree Committee was not seeking to relitigate the Prior Ruling. Rather, the Retiree Committee was seeking an order recognizing the tactical choice it had made in choosing to set up an alternative benefit eligible through the DSRA Benefit Trust eligible for the Health Coverage Tax Credit (“HCTC”), rather than litigating over eligibility for lifetime COBRA coverage, which would have not provided a meaningful remedy for retirees, for all the reasons set forth in paragraph 19 of the motion brought by the Retiree Committee seeking the order. (Docket No. 21261.) The Court agreed, and entered the requested order (Docket No. 21306, the “Designation Order”).

THE COURT SHOULD DENY THE REQUESTED STAY

3. The Court requested that the DSRA Benefit Trust, through counsel, respond to Mr. Sumpter’s motion for a stay, and the DSRA Benefit Trust has done so. (Docket No. 21420, the “Objection”). The Retiree Committee agrees with the DSRA Benefits Trust that Mr. Sumpter’s motion should be denied. The Designation Order may assist the VEBA in continuing to preserve eligibility for thousands of retirees to receive subsidized medical care. The order

directing the Retiree Committee be disbanded (Docket No. 21305) is also effective upon the Designation Order becoming final and non-appealable, and the Court should permit the Designation Order to become final, without a further stay.

4. The stay requested by Mr. Sumpter will not provide any benefit to Mr. Sumpter or to other retirees, but may create problems for the DSRA Benefit Trust in obtaining a private letter ruling from the IRS to help protect the eligibility of thousands of Delphi retirees to continue to receive HCTC-subsidized medical, prescription drug and other benefits.

The Retiree Committee therefore respectfully requests that this Court sustain the Objection and deny Mr. Sumpter's "Request for Stay of Court Order and Related Proceedings Regarding of VEBA in Lieu of COBRA Ruling."

Dated: San Francisco, California
June 20, 2011

FARELLA BRAUN & MARTEL LLP

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